

Billy G. Leonard, Jr.
Texas Bar No. 12208100
Attorney at Law
1650 W. Virginia Street, Suite 211
McKinney, Texas 75069-7703
Telephone (469) 742-0855
Fax (469) 442-0135
Attorney for Aviation Parts Supply, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

SUPERIOR AIR PARTS, INC.

DEBTOR

§
§
§
§
§
§

CASE NO. 08-36705-BJH-11

**OBJECTION OF AVIATION PARTS SUPPLY, INC. TO DEBTOR'S EXPEDITED
MOTION TO APPROVE BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL
OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS**

Aviation Parts Supply, Inc. ("APS"), a creditor and/or party in interest, by and through undersigned counsel, files this its Objection to Debtor's Expedited Motion to Approve Bid Procedures for Sale of Substantially all of Debtor's Assets Free and Clear of Liens ("Objection") and would show the Court as follows:

1. On or about December 31, 2008, Superior Air Parts, Inc. ("Superior" or "Debtor") commenced this bankruptcy proceeding.
2. On December 30, 2008, the day prior to the commencement of this bankruptcy proceeding, Superior entered into an Asset Purchase Agreement for the sale of what purportedly is all or substantially all of the assets of Superior. The purchaser under the Asset Purchase Agreement is Avco Corporation ("Avco"), a wholly owned subsidiary of Textron, Inc.

**OBJECTION OF AVIATION PARTS SUPPLY, INC. TO DEBTOR'S EXPEDITED MOTION TO APPROVE BID
PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS**

3. Superior is in the business of marketing parts for engines manufactured by Teledyne or its affiliates and Textron and its affiliates. Additionally, Superior manufactures its own lines of piston engines; however its primary business is its parts business. Upon information and belief, Superior's primary competitors in the markets in which it transacts its parts business are Teledyne or its affiliates and Textron or its affiliates. Thus, any purchase by Teledyne or Textron (including the proposed purchase by Avco, a subsidiary of Textron) would be a purchase which, if consummated, would result in the loss of a competitor in the market place.

4. Prior to the commencement of the bankruptcy proceeding, APS was formed for the purpose of acquiring Superior and/or its business. APS engaged in discussions with Superior and its owner regarding the purchase of Superior and/or its business. Although no definitive agreement was entered into, APS was conducting negotiations up until it was notified that Superior had executed an agreement with Avco on December 30, 2008. To APS' best knowledge and belief, it is the only other remaining interested bidder for Superior's assets.

5. APS continues to be interested in purchasing Superior's business, and if successful in acquiring the business, intends to continue Superior's parts business as conducted prior to bankruptcy competing in the same market with Teledyne and Textron. If APS is the successful bidder and purchaser of Debtor's assets, the market which it serves will continue to have at least three primary competitors.

6. APS is concerned that certain provisions of the proposed bid procedures have the effect of precluding certain bidders, including potentially APS, from competing for the assets of Superior. Specifically, it appears from the proposed bid procedures that in order to be deemed to be a "Qualified Bidder" a prospective bidder must make a

cash only bid. However, in determining which Qualified Bidder is the successful bidder under the bid procedures the Debtor is then entitled to consider a number of factors including the proposed assumption of liabilities, purchase-price adjustments, the impact of the transaction on any actual or potential litigation, the net economic effect of a bid, and the net consideration to be received by the Debtor.

7. APS intends to propose a competing bid, and, at this time, it believes that it can make a proposal to the Debtor for the purchase of the Debtor's assets which has the net effect of being a higher and better offer than that proposed by Textron/Avco although the cash bid might be less than that being offered by Textron/Avco. APS believes it can accomplish this by negotiating the purchase of claims and/or the assumption of liabilities of the Debtor together with a cash amount that, when considered from the perspective of the Debtor's estates, results in a higher net return to the estate and its creditors. However, because of the requirement in the bid procedures order that the minimum overbid has to be a cash bid of at least \$12,350,000, prospective purchasers who can't make an all cash bid but who otherwise could make a bid that results in a higher and better return to the estate will be precluded from participating in the bid process. Accordingly, APS objects to the bid procedures order to the extent that it precludes a bidder from becoming a Qualified Bidder solely because its offer doesn't contain a minimum of \$12,350,000 in cash.

8. APS reserves the right to make additional objections to the proposed bid procedures.

WHEREFORE, PREMISES CONSIDERED, APS files this its objection to Debtor's Expedited Motion to Approve Bid Procedures for Sale of Substantially All of Debtor's Assets Free and Clear of Liens and seeks an order of the Court denying the proposed bid procedures and for such other and further relief as may be just and equitable.

DATE: January 8, 2009

Respectfully submitted,

By: /s/ Billy G. Leonard, Jr.
BILLY G. LEONARD, JR.
Texas State Bar No. 12208100
1650 W. Virginia Street, Suite 211
(469) 742-0855
(469) 442-0135 (Facsimile)
Attorney for Aviation Parts Supply, Inc.

CERTIFICATE OF SERVICE

The undersigned counsel certifies that on the 8th day of January, 2009, a true and correct copy of the foregoing was forwarded to those persons set forth on the attached service list via First Class U.S. Mail.

/s/ Billy G. Leonard, Jr.
BILLY G. LEONARD, JR.

OBJECTION OF AVIATION PARTS SUPPLY, INC. TO DEBTOR'S EXPEDITED MOTION TO APPROVE BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS

Theilert Aircraft Engines
Nieritzstr 14 D-01097
Dresden Germany

Mahle Engine Components
60428 Marine Road
Atlantic IA 50022-8291

KS-Pistoes0
Rodovia Arnald, Julio Mauberg
4000 Disrito Industrial No
Nova Odessa SP Brasil CAIZA Postal
91 CEP 13460-000

Airsure Limited
15301 Spectrum Drive, #500
Addison, TX 75001

ECK Industries, Inc.
1602 North 8th Street
Manitowoc, WI 54221-0967

Mahle Engine Components
14161 Manchester Road
Manchester, MO 63011

Crane Cams
530 Fentress Blvd
Daytona Beach, FL 32114

Corley Gasket Co.
6555 Hunnicut Road
Dallas TX 75227

Saturn Fasteners Inc.
425 S. Varney St.
Burbank, CA 91502

Champion Aerospace, Inc.
1230 Old Norris Road
Liberty, SC 29654-0686

Ohio Gasket & Shim
976 Evans Ave.
Akron, OH 44305

Gerhardt Gear
133 East Santa Anita
Burbank CA 91502-1926

Automatic Screw Machine
709 2nd Avenue SE
Decatur, AL 35601

Helio Precision Products
601 North Skokie Highway
Lake Bluff, IL 60044

Knappe & Koester Inc.
18 Bradco Street
Keen, NH 3431

Chester Salomon
Stevens & Lee
485 Madison Ave., 20th Floor
New York, NY 10022

AOPA Pilot
PO Box 973
Frederick, MD 21701

Mahle Engine Components
17226 Industrial HWY
Caldwell, OH 43724-9779

Genesee Stamping & Fabricating
1470 Avenue T
Grand Prairie, TX 75050-1222

City of Coppell/Coppell ISD
Mary McGuffey, Tax Assessor
PO Box 9478
Coppell, TX 75019

Internal Revenue Service
Special Procedures - Insolvency
P.O. Box 21126
Philadelphia, PA 19114

David Childs, Ph.D.
Dallas County Tax Assessor/Collector
500 Elm Street, Records Building
Dallas, TX 75202

Thielert AG
Albert-Einstein-Ring 11
D-22761, Hamburg Germany

OBJECTION OF AVIATION PARTS SUPPLY, INC. TO DEBTOR'S EXPEDITED MOTION TO APPROVE BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS

Betsy Price, Tax Assessor Collector
100 E. Weatherford
PO Box 961018
Fort Worth, TX 76196

Hartford Aircraft Products
94 Old Poquonock Road
Bloomfield, CT 06002

Ace Grinding & Machine Company
2020 Winner Street
Walled Lake, MI 48390

Lynden International
1800 International Blvd. #800
Seattle, WA 98188

Combustion Technologies, Inc.
1804 Slatesville Road
Chatham, VA 24531

Ruhrtaler Gesenkschmiede
F.W. Wengler GMBH & Co. KG,
Feld
Witten, Germany 58456

Mary Frances Durham
Office of the US Trustee
1100 Commerce Street, Rm 976
Dallas, TX 75242-1496

Seal Science
17131 Daimler
Irvine, CA 92614-5508

Stephen A. Roberts
Strasburger & Price, L.L.P.
600 Congress Ave., Suite 1600
Austin, TX 78701

Kent Abercrombie
Superior Air Parts, Inc.
621 S. Royal Ln., Suite 100
Coppell, TX 75019-3805

Chester Salomon
Stevens & Lee
485 Madison Ave., 20th Flr.
New York, NY 10022

Deirdre B. Ruckman
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000
Dallas, TX 75201-4761

Neil J. Orleans
Goins Underkofler, et. al.
1201 Elm Street, Ste. 4800
Dallas, TX 75270

OBJECTION OF AVIATION PARTS SUPPLY, INC. TO DEBTOR'S EXPEDITED MOTION TO APPROVE BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS